



BOARD OF DIRECTORS REPORT

MEETING DATE: OCTOBER 15, 2024 **AGENDA ITEM #:** 10
TYPE: ACTION ITEM
PREPARED BY: CLERK OF THE BOARD/EXECUTIVE ASSISTANT STEVE MAAS
REVIEWED BY: GENERAL MANAGER JERRY ESTRADA
SUBJECT: MTD SERVICE AND FARE CHANGE EQUITY POLICY

RECOMMENDATION:

Staff requests that the Board of Directors review MTD's Draft Final Service and Fare Change Equity Policy and consider approval of the Policy.

DISCUSSION:

Following the 2020 Census, the Santa Barbara urbanized area (UZA) is classified as a large UZA by the Federal Transit Administration (FTA) because the UZA population now exceeds 200,000 persons. A transit agency that is located in a large UZA and operates 50 or more fixed-route vehicles in peak service (such as MTD) is required to develop a Service and Fare Change Equity Policy that complies with FTA's Title VI requirements and is approved by its governing body.

The Policy must describe how the agency will evaluate prior to implementation any service changes that exceed the transit provider's major service change thresholds, as well as all fare changes, to determine whether those changes will have a disparate impact based on race, color, or national origin. Although low-income populations are not included in Title VI protections, FTA also requires transit providers to evaluate proposed major service changes and all fare changes to determine whether low-income populations will bear a disproportionate burden of the proposed changes.

A Draft Policy was presented to the Board as an Informational Item on September 17. Members of the Board asked for some clarifications, which have been addressed in this staff report below.

The Policy also must describe how the agency will determine if a proposed fare change or major service change would have a disparate impact on persons protected by Title VI or a disproportionate burden on low-income persons. Chair Davis asked whether,

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protected persons would be netted out of the total number of persons when conducting these analyses. The answer is yes. The determination is based on an analysis of the impact or burden on protected persons versus the impact or burden on non-protected persons. Typically, the agency policy includes a selected percentage difference between impacts or burdens on protected persons compared to non-protected persons. If the difference exceeds the selected percentage, it is assumed that a disparate impact of disproportionate burden would result from the change.

Staff proposes a threshold of a difference of 15% or greater for disparate impacts and/or disproportionate burden. At the September 17 meeting, Board members asked for a discussion of how staff arrived at that proposal. Staff contacted various transit agencies, and searched the Internet, for examples of equity policies. The attached table presents examples from several agencies of major service change definitions and disparate impact and disproportionate burden thresholds. The table is sorted by the types of criteria used by the agencies to determine if a proposed service change qualifies as a major change.

Many of the agencies that MTD typically looks at as peers are not required to have an equity policy, as their service area population is less than 200,000 and/or they operate fewer than 50 buses at peak. This list includes Gold Coast Transit District, Ventura County Transportation Commission, San Luis Obispo Transit, San Luis Obispo Regional Transit Authority, Monterey-Salinas Transit, and Santa Cruz Metropolitan Transit District.

ATTACHMENTS

- Table of criteria used by various transit agencies
- Draft Final MTD Service and Fare Change Equity Policy

Service and Fare Change Equity Policy Examples

Source	Major Service Change		Fare Change ¹
	Definition	Disparate Impact / Disproportionate Burden	Disparate Impact / Disproportionate Burden

MTD (Proposed)	25% of RevHrs systemwide; 25% of RevHrs by route	Difference: 15%	Difference: 15%
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Major Service Change Definitions Both Systemwide & By Route

Connecticut DOT	25% RevMiles systemwide; 25% change in route length; or 1 hour change in route span of service	Difference: 15%	Difference: 10%
NE Connecticut TD	5% RevHrs systemwide; new route; elimination of route; 25% of route RevHrs or RevMiles	Difference: 20%	Difference: 20%
Alexandria Transit Co. (VA)	5% RevHrs systemwide; new route; elimination of route; 25% of route RevHrs or RevMiles	Difference: 10%	Difference: 10%
Northern Kentucky	25% RevHrs systemwide; new route; elimination of a route	Difference: 20%	Difference: 20%
MBTA (Boston)	10% RevHrs systemwide; or 25% RevHrs by Route	Difference: Decrease = > 1.2x Increase = < 0.8x	Difference: Decrease = < 0.9x Increase = > 1.1x

Major Service Change Definitions Only By Route

San Joaquin RTD	25% RevMiles by route; 25% span of service by route; or new route	Difference: 15%	Difference: 15%
Riverside Transit Agency	25% change to current configuration of a route	Difference: 20%	Difference: 20%
Golden Empire (Bakersfield)	New route; 25% in route length; 25% change in RevHrs or RevMiles by route	Difference: 10% more than average protected population	Difference: 10% more than average protected population

Major Service Change Definitions Only Systemwide

Chicago Transit Authority	10% change in riders or RevHrs systemwide	Difference: 15%	Difference: 15%
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Note 1: While only "Major" service changes require an equity analysis, "All" fare changes require an equity analysis.

Santa Barbara Metropolitan Transit District Service and Fare Change Equity Policy

INTRODUCTION

Under the authority of Title VI of the Civil Rights Act of 1964 (Title VI), Federal Transit Administration (FTA) Circular 4702.1B directs transit providers to define and set standards for analyzing the potential adverse effects of proposed major service changes and all proposed fare changes on protected populations. An equity analysis is conducted prior to implementing any such service or fare change to evaluate whether the proposed change is likely to have a disparate impact on populations protected under Title VI¹, or place a disproportionate burden on low-income² populations.

The Santa Barbara Metropolitan Transit District (SBMTD) follows this Service and Fare Change Equity Policy (Policy) in accordance with Chapter IV, Section 7 of Circular 4702.1B to assist with equitable and transparent decision-making and with the goal of fairly distributing the adverse impacts of and any burdens associated with fare and major service changes.

SCOPE AND APPLICABILITY

This Policy applies to proposed changes to SBMTD's directly-operated service. This Policy does not extend to SBMTD's contracted ADA paratransit service. Analyses conducted pursuant to this Policy are intended to aid SBMTD in equitably distributing the adverse impacts of, and burdens associated with, fare and major service changes.

SBMTD undertakes service monitoring activities a minimum of once every three years to compare the service levels provided to protected populations to the levels provided to unprotected populations. These activities help inform and prioritize future service planning.

DISPARATE IMPACT OR DISPROPORTIONATE BURDEN

Before implementing a major service change or any fare change, SBMTD will conduct an equity analysis to determine whether the effects of the proposed change will impose a disparate impact on populations protected under Title VI or a disproportionate burden on low-income populations.

¹FTA Circular 4702.1B provides that any individual who identifies as belonging in any one or more of the following US census categories is a member of a population that is protected from discrimination on the basis of race and/or ethnicity: American Indian and Alaska Native; Asian; Black or African American; Hispanic or Latino (of any race); Native Hawaiian or Other Pacific Islander.

²SBMTD utilizes the California AB 1550 definitions of low-income households and low-income communities to define low-income populations by census tract.
https://ww2.arb.ca.gov/sites/default/files/auction-proceeds/kml/ab1550_maps_documentation.pdf.

SBMTD uses the following thresholds to determine whether the adverse effects of a proposed change will have a disparate impact or disproportionate burden on protected populations. The adverse effects of proposed service changes are measured as both the anticipated burdens (decreases in service) or benefits (increases in service) expected to accrue to protected and non-protected populations.

Major Service Changes

SBMTD defines a major service change as any addition, reduction, suspension or change in service lasting longer than 12 consecutive months and meeting one of the following criteria:

- A change of at least 25% in annual systemwide revenue hours³.
- A change of at least 25% in annual revenue hours by route⁴.

These criteria are selected as most likely to yield a meaningful result in light of SBMTD's system characteristics. A major service change occurs when one or more of the above thresholds are met within a single service change proposal.

A disparate impact or disproportionate burden will be deemed to have occurred if the difference between the percentage change in service for protected persons and non-protected persons is greater than 15%. For example, if a major service change yields a 30% decrease in service for protected persons and a 10% decrease in service for non-protected persons, the difference in impact between the two populations would be 20%. This would result in a disparate impact and/or disproportionate burden finding, because the difference in impact between protected and non-protected persons is greater than 15%.

Fare Changes

A disparate impact or disproportionate burden will be deemed to have occurred if the difference between the percentage change in fares for protected riders and non-protected riders is greater than 15%. For example, if a fare change yields a 25% increase in fares for protected riders and a 5% increase in fares for non-protected riders, the difference in impact between the two populations would be 20%. This would result in a disparate impact and/or disproportionate burden finding, because the difference in impact between protected and non-protected riders is greater than 15%.

Finding of Disparate Impact

Consistent with the FTA Circular, if the proposed change will have a disparate impact on riders or potential riders who are protected on the basis of race or ethnicity, SBMTD may only adopt the change upon demonstrating: 1) a substantial legitimate justification for the

³The total number of hours in which transit vehicles operate in revenue service.

⁴Supplemental service that increases or decreases service along pre-existing transit routes, such as school trippers or weekend variations, are counted as part of the parent route.

proposed change; and 2) there are no alternatives that would have a less disparate impact on minority riders but would still accomplish the agency's legitimate program goals.

Finding of Disproportionate Burden

If the proposed change will disproportionately affect low- income populations, whether by benefit or burden, SBMTD may only adopt the change if further mitigation measures or alternatives that would reduce the disproportionately high and adverse effects are not practicable. In determining whether a mitigation measure or alternative is practicable, the social, economic, and environmental effects of avoiding or mitigating the adverse effects shall be taken into account.

MTD Service Funded by Another Agency

If an agency that is currently funding an MTD service were to reduce or eliminate that funding, MTD would likely need to reduce or eliminate that service. In such a case, FTA requirements would still mandate that MTD conduct an equity analysis. If the equity analysis revealed that the service change would impose a disparate impact, MTD would be required to meet criteria 1) and 2) above before implementing that service change. Regarding criteria 2), it is a legitimate program goal for MTD's Board of Directors to continue to consider the entirety of MTD's service and make an appropriate decision.

SERVICE EQUITY ANALYSIS

Due to the varying nature of proposed service and fare changes, the appropriate data to analyze in a given instance may vary from case to case. For a given service equity analysis, SBMTD will identify the data needed for analysis, the techniques and technologies used to collect the data, and the methodologies to be used in the Service Equity Analysis calculation. For example, SBMTD may use rider surveys to compare the protected ridership of the affected route(s) with the non-protected ridership of the route(s). SBMTD may also use American Community Survey (ACS) or Census data. SBMTD may seek technical assistance from the FTA as needed based on the circumstances. SBMTD will evaluate all components of a major service change cumulatively.

FARE EQUITY ANALYSIS

SBMTD will conduct a fare equity analysis before implementing any proposed change that would increase or decrease individual or system-wide fares or fares by fare payment type or fare media. For a fare increase or decrease, SBMTD will assess whether protected riders are more likely than non-protected riders to use the affected fare type, and what the potential cost impact would be to these riders. Concurrently-proposed fare changes are considered in the aggregate.

SBMTD will not conduct a fare equity analysis for the following:

- An occasion when SBMTD permits all passengers to ride for free;

- Temporary fare reductions that are mitigating measures for other actions (e.g., a construction activity that requires a temporary suspension of a route or part of a route and requires passengers to alter their travel patterns);
- A promotional fare reduction that lasts six months or less;

PUBLIC PARTICIPATION

Consistent with SBMTD's Public Engagement Plan as outlined in the agency's Title VI Program, SBMTD will provide meaningful opportunity for public comment on:

- Proposed fare and major service changes and their respective equity analyses;
- Any change to disparate impact or disproportionate burden thresholds
- Any proposed mitigation measures where potential adverse impacts are identified, including the less discriminatory alternatives that may be available;
- Proposed changes to this Policy.

When presenting an equity analysis for public comment, SBMTD will make efforts to explain the basis for its findings in a clear and accessible way, as the information presented is often complex.

BOARD APPROVAL

Equity analyses shall be presented to the Board of Directors of SBMTD for their consideration and approval prior to the implementation of any proposed fare change or major service change.

The Board of Directors provided its approval of this Policy on October 15, 2024. Any future revisions to this Policy shall also be presented to the Board for approval.